

Statement of Standalone and Consolidated Financial Results

(₹ in Crores)

Particulars		STANDALONE					CONSOLIDATED	
		FOR THE QUARTER AND TWELVE MONTHS ENDED 31ST MARCH, 2017					FOR THE TWELVE MONTHS ENDED 31ST MARCH, 2017	
		3 Months ended 31.03.2017#	Corresponding 3 Months ended 31.03.2016#	Preceding 3 Months ended 31.12.2016	Twelve Months ended 31.03.2017	Twelve Months ended 31.03.2016	Twelve Months ended 31.03.2017	Twelve Months ended 31.03.2016
	(Audited)*	(Audited)*	(Unaudited)*	(Audited)*	(Audited)*	(Audited)*	(Audited)*	
REVENUE FROM OPERATIONS	1	15008.82	14138.78	13569.97	55448.46	51944.57	58731.52	55061.08
OTHER INCOME	2	402.10	371.23	687.94	1985.91	1769.26	1761.53	1530.80
TOTAL INCOME (1+2)	3	15410.92	14510.01	14257.91	57434.37	53713.83	60493.05	56591.88
EXPENSES								
a) Cost of materials consumed		2972.84	3033.84	2912.58	11765.56	11054.75	11979.03	11168.68
b) Purchases of stock-in-trade		1195.73	819.37	864.89	3566.57	2591.80	3477.56	2595.20
c) Changes in inventories of finished goods, stock-in-trade, work-in-progress and intermediates		514.23	(286.05)	(400.90)	644.17	(196.55)	592.57	(195.38)
d) Excise duty		3883.28	4382.08	4321.58	15359.78	15361.90	15927.91	15868.98
e) Employee benefits expense		571.36	554.71	572.31	2444.31	2331.59	3631.73	3440.97
f) Finance costs		(11.46)	12.27	13.59	22.95	49.13	24.30	53.60
g) Depreciation and amortization expense		241.81	246.48	266.54	1038.04	1000.68	1152.79	1077.40
h) Other expenses		1995.99	2029.78	1753.12	7090.03	7086.46	7686.81	7731.78
TOTAL EXPENSES	4	11363.78	10792.48	10303.71	41931.41	39279.76	44472.70	41741.23
PROFIT BEFORE TAX (3-4)	5	4047.14	3717.53	3954.20	15502.96	14434.07	16020.35	14850.65
TAX EXPENSE	6	1377.67	1336.85	1307.47	5302.06	5105.70	5549.09	5358.21
a) Current Tax		1383.46	1214.95	1398.14	5285.65	4896.06	5546.16	5150.37
b) Deferred Tax		(5.79)	121.90	(90.67)	16.41	209.64	2.93	207.84
PROFIT FOR THE YEAR / PERIOD (5-6)	7	2669.47	2380.68	2646.73	10200.90	9328.37	10471.26	9492.44
SHARE OF PROFIT / (LOSS) OF ASSOCIATES AND JOINT VENTURES	8	N.A.	N.A.	N.A.	N.A.	N.A.	5.97	8.42
PROFIT AFTER TAXES, SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURES (7+8)	9	2669.47	2380.68	2646.73	10200.90	9328.37	10477.23	9500.86
OTHER COMPREHENSIVE INCOME	10	200.23	(249.11)	(161.61)	77.00	(66.58)	42.35	(79.91)
A (i) Items that will not be reclassified to profit or loss		186.10	(263.85)	(168.22)	40.80	(83.69)	62.01	(90.99)
(ii) Income tax relating to items that will not be reclassified to profit or loss		4.11	9.29	10.37	24.22	18.63	23.91	16.94
B (i) Items that will be reclassified to profit or loss		15.30	8.33	(5.75)	18.29	(2.32)	(37.26)	(6.66)
(ii) Income tax relating to items that will be reclassified to profit or loss		(5.28)	(2.88)	1.99	(6.31)	0.80	(6.31)	0.80
TOTAL COMPREHENSIVE INCOME (9+10)	11	2869.70	2131.57	2485.12	10277.90	9261.79	10519.58	9420.95
PROFIT FOR THE YEAR / PERIOD ATTRIBUTABLE TO :								
OWNERS OF THE PARENT		N.A.	N.A.	N.A.	N.A.	N.A.	10289.44	9344.45
NON-CONTROLLING INTEREST		N.A.	N.A.	N.A.	N.A.	N.A.	187.79	156.41
TOTAL COMPREHENSIVE INCOME FOR THE YEAR / PERIOD ATTRIBUTABLE TO :								
OWNERS OF THE PARENT		N.A.	N.A.	N.A.	N.A.	N.A.	10331.79	9264.54
NON-CONTROLLING INTEREST		N.A.	N.A.	N.A.	N.A.	N.A.	187.79	156.41
PAID UP EQUITY SHARE CAPITAL (Ordinary shares of ₹ 1/- each)	12	1214.74	804.72	1212.14	1214.74	804.72	1214.74	804.72
RESERVES EXCLUDING REVALUATION RESERVES	13				44126.22	40851.71	45198.19	41874.80
EARNINGS PER SHARE (of ₹ 1/- each) (not annualised):	14							
(a) Basic (₹)		2.20	1.97	2.18	8.43	7.74	8.50	7.75
(b) Diluted (₹)		2.19	1.96	2.17	8.38	7.70	8.45	7.71

* The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted Ind AS from 1st April, 2016, and accordingly, these financial results (including for all the periods presented in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards) have been prepared in accordance with the recognition and measurement principles provided under Ind AS 34 - Interim Financial Reporting as prescribed under Section 133 of the Companies Act, 2013 read with the Rules thereunder and the other accounting principles generally accepted in India.

The figures for the 3 months ended 31.03.2017 and corresponding 3 months ended 31.03.2016 are the balancing figures between the audited figures in respect of the full financial year and the year to date figures upto the third quarter of the respective financial years.

Notes :

- The audited Financial Results and Segment Results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 26th May, 2017. The Company confirms that its statutory auditors, M/s Deloitte Haskins & Sells have issued audit report with unmodified opinion on the Standalone and Consolidated Financial Results.
- The launch and rollout costs of the Company's brands 'Fiama', 'Vivel', 'Superia', 'Engage', 'Savlon' and 'Shower to Shower' covering the range of personal care products of soaps, face washes, shower gels, skin care, deodorants, handwash and ayurvedic talc, and the continuing significant brand building costs of the Foods businesses are reflected under 'Other expenses' stated above and in Segment Results under 'FMCG-Others'.
- a) During the quarter ended 30th September, 2016, the Company issued and allotted 402,66,57,100 Ordinary Shares of ₹ 1/- each, as fully paid-up Bonus Shares in the proportion of 1 (One) Bonus Share of ₹ 1/- each for every existing 2 (Two) Ordinary Shares of ₹ 1/- each. Pursuant to the issue and allotment of Bonus Shares, the Earnings Per Share (Basic and Diluted) have been adjusted for all the periods stated above.
b) During the quarter ended 31st March, 2017, 2,60,21,090 Ordinary Shares of ₹ 1/- each were issued and allotted under the Company's Employee Stock Option Schemes. Consequently, the issued and paid-up Share Capital of the Company as on 31st March, 2017 stands increased to ₹ 1214,73,83,071.
- The Company does not have any exceptional item to report for the above periods.

5 A. Reconciliation of the financial results to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarised as follows:

Particulars	Notes	Standalone		Consolidated
		3 months ended 31.03.2016	Twelve months ended 31.03.2016	Twelve months ended 31.03.2016
Profit After Tax as reported under previous GAAP		2495.20	9844.71	10069.45
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	(ii), (iii)	(41.12)	(115.79)	(112.81)
Impact of measuring derivative financial instruments, other than those designated as cash flow hedges, at fair value	(iv)	8.72	8.29	3.44
Impact of recognising the cost of the employee stock option scheme at fair value	(i) (c)	(116.19)	(501.91)	(548.42)
Impact of elimination of amortization of Trademarks	(vi)	7.77	31.25	31.25
Reclassification of actuarial gains / losses, arising in respect of employee benefit schemes, to Other Comprehensive Income (OCI)		26.84	53.84	49.09
Others		-	-	(2.50)
Tax Adjustments		(0.54)	7.98	11.36
Profit After Tax as reported under Ind AS		2380.68	9328.37	9500.86
Other Comprehensive Income (net of tax)		(249.11)	(66.58)	(79.91)
Total Comprehensive Income as reported under Ind AS		2131.57	9261.79	9420.95

B. Reconciliation of equity as reported under previous GAAP is summarised as follows:

Particulars	Notes	Standalone	Standalone	Consolidated	Consolidated
		As at 01.04.2015	As at 31.03.2016 (end of last period presented under previous GAAP)	As at 01.04.2015	As at 31.03.2016 (end of last period presented under previous GAAP)
Equity as reported under previous GAAP attributable to					
ITC Limited		30735.69	32929.00	31735.49	33964.41
Non-controlling interest				225.11	262.33
	TOTAL			31960.60	34226.74
Dividends (including tax thereon)	(v)	6029.56	8232.60	6029.56	8232.60
Impact of elimination of amortization of Trademarks	(vi)	-	20.43	-	20.43
Impact of measuring derivative financial instruments, not being cash flow hedges, at fair value (net of tax)	(iv)	2.64	8.04	5.82	8.04
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL) or OCI (net of tax)	(ii), (iii)	519.94	414.62	537.88	433.18
Impact of recognising the cost of the employee stock option scheme in respect of employees of group companies	(i) (c)	-	51.74	-	5.22
Others				26.00	14.21
Equity as reported under Ind AS attributable to					
ITC Limited		37287.83	41656.43	38334.74	42679.52
Non-controlling interest				225.12	260.90
	TOTAL			38559.86	42940.42

Comprising:

Paid up equity share	801.55	804.72	801.55	804.72
Reserves	36486.28	40851.71	37533.19	41874.80

(i) Exemptions applied at transition

Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. Ind AS 101 allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in its financial results:

a. Property, plant and equipment and intangible assets were carried in the statement of financial position prepared under previous GAAP as at 31st March, 2015. The Company has elected to regard such carrying amount as deemed cost at the date of transition i.e. 1st April, 2015.

b. Under previous GAAP, investment in subsidiaries, joint ventures and associates were stated at cost and provisions made to recognise the decline, other than temporary. Under Ind AS, the Company has elected to regard such carrying amount as at 31st March, 2015 as deemed cost at the date of transition.

c. As per the previous GAAP, the cost of stock options granted under ITC Employee Stock Option Scheme (ITC ESOS) [equity-settled] was recognised using the intrinsic value method. Under this method, no expenses were recognised in the statement of profit and loss as the fair value of shares on the date of grant equalled the exercise price. Under Ind AS, the cost of options granted under ITC ESOS is recognised based on the fair value of the options as on the grant date. In terms of the exemptions, the fair value of unvested options as at the date of transition have been accounted for as part of reserves. The fair value of options vesting after the transition date have been recognised in profit or loss.

The cost of options under ITC ESOS applicable to employees of group companies, net of reimbursements, have been considered as capital contribution.

(ii) Under previous GAAP, current investments were stated at lower of cost and fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition and fair value changes after the date of transition has been recognised in profit or loss.

(iii) Under previous GAAP, non current investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such Investments. Under Ind AS, financial assets in equity instruments [other than those in (i) (b)] have been classified as Fair Value through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition.

(iv) Under previous GAAP, the net mark to market losses on derivative financial instruments, other than those designated as cash flow hedges, as at the Balance Sheet date, were recognized in profit or loss, and the net gains, if any, were ignored. Under Ind AS, such derivative financial instruments are to be recognised at fair value and the movement is recognised in profit or loss.

(v) Under previous GAAP, dividend payable (including the tax thereon) is recognised as a liability in the period to which it relates. Under Ind AS, dividends (including the tax thereon) to shareholders are recognised when declared by the members in a general meeting.

(vi) Under previous GAAP, Trademarks were necessarily amortized. Under Ind AS, certain trademarks have been determined to be of indefinite useful life. This has been recognized in the current quarter. Accordingly, the amortization thereof considered in the previous year has been eliminated. As a consequence, the amortization charge of ₹ 23.48 Crores for the 9 months period ended 31st December 2016 (₹ 7.85 Crores for the quarter ended 31st December, 2016) has been eliminated in the quarter ended 31st March, 2017.

(vii) Under previous GAAP, Non Controlling interest was shown separately. Under Ind AS, the same has been included in "Total Equity"

(viii) Under previous GAAP, joint ventures were consolidated using "proportionate consolidation" method. Under Ind AS, joint ventures have been accounted using "equity method".

(ix) Under previous GAAP, biological assets were carried at cost. Under Ind AS, the same have been valued at fair value less costs to sell.

6 The Board of Directors of the Company has recommended a dividend of ₹ 4.75 per Ordinary Share of ₹ 1/- each for the financial year ended 31st March, 2017 and the dividend, if declared, will be paid on 31st July, 2017 to those members entitled thereto.

7 The Register of Members of the Company shall remain closed for the purpose of dividend from 7th June, 2017 to 9th June, 2017, both days inclusive.

8 The 106th Annual General Meeting of the Company has been convened for 28th July, 2017.

9 The Board of Directors of the Company, in the context of splitting the role of the Executive Chairman between Chairman and Chief Executive Officer (CEO), appointed Mr. S. Puri, Wholtime Director, also as CEO of the Company with effect from 5th February, 2017 to take independent charge of the executive leadership of the Company. Mr. Y. C. Deveshwar, as Chairman and Non-Executive Director assumed the role of Mentor to the CEO and Corporate Management Committee with effect from the said date.

10 This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ITC Limited

(₹ in Crores)

Balance Sheet Particulars		STANDALONE			CONSOLIDATED		
		As at 31st March, 2017 (Audited)	As at 31st March, 2016 (Audited)	As at 1st April, 2015 (Audited)	As at 31st March, 2017 (Audited)	As at 31st March, 2016 (Audited)	As at 1st April, 2015 (Audited)
A	ASSETS						
1	NON-CURRENT ASSETS						
	(a) Property, Plant and Equipment	14469.32	13591.96	13572.99	15262.27	14459.36	14369.04
	(b) Capital work-in-progress	3491.33	2388.42	2010.47	3684.20	2528.97	2104.83
	(c) Goodwill on Consolidation	-	-	-	202.53	202.53	207.99
	(d) Other Intangible assets	410.92	419.01	401.35	428.68	444.74	423.93
	(e) Intangible assets under development	45.69	30.75	28.65	45.69	30.75	28.65
	(f) Financial Assets						
	(i) Investments*	8485.51	6853.20	2878.03	6693.99	5125.81	1412.72
	(ii) Loans	5.84	8.12	9.34	8.54	12.96	16.47
	(iii) Others	99.83	1031.18	1381.22	100.71	1038.01	1384.01
	(g) Deferred tax assets (net)	-	-	-	44.95	40.54	36.91
	(h) Other non-current assets	2670.12	2474.72	1707.64	3202.61	2945.71	2200.15
	Non-Current Assets	29678.56	26797.36	21989.69	29674.17	26829.38	22184.70
2	CURRENT ASSETS						
	(a) Inventories	7863.99	8519.82	7836.76	8671.10	9062.10	8506.70
	(b) Biological Assets other than bearer plants	-	-	-	70.05	67.25	51.18
	(c) Financial Assets						
	(i) Investments	10099.78	6471.33	6091.59	10332.39	6621.78	6266.30
	(ii) Trade receivables	2207.50	1686.35	1722.40	2474.29	1917.18	1978.32
	(iii) Cash and cash equivalents	156.15	75.79	36.29	333.07	283.59	155.69
	(iv) Other Bank Balances	2591.12	5563.41	6236.52	2634.33	5779.71	6415.55
	(v) Loans	3.37	3.85	40.09	6.78	8.07	8.66
	(vi) Others	1004.91	407.22	255.58	1090.02	569.43	380.86
	(d) Other current assets	610.57	506.15	555.89	657.07	553.39	599.01
	Current Assets	24537.39	23233.92	22775.12	26269.10	24862.50	24362.27
	TOTAL ASSETS	54215.95	50031.28	44764.81	55943.27	51691.88	46546.97
B	EQUITY AND LIABILITIES						
	EQUITY						
	(a) Equity Share capital	1214.74	804.72	801.55	1214.74	804.72	801.55
	(b) Other Equity	44126.22	40851.71	36486.28	45198.19	41874.80	37533.19
	Equity attributable to the owners	45340.96	41656.43	37287.83	46412.93	42679.52	38334.74
	Non Controlling Interest	N.A.	N.A.	N.A.	294.74	260.90	225.12
	Total Equity	N.A.	N.A.	N.A.	294.74	260.90	225.12
	LIABILITIES						
1	NON-CURRENT LIABILITIES						
	(a) Financial Liabilities						
	(i) Borrowings	17.99	25.83	38.69	18.40	26.66	39.77
	(ii) Other financial liabilities	9.21	15.13	7.05	41.21	46.77	39.31
	(b) Provisions	131.37	112.19	100.72	158.42	135.42	123.67
	(c) Deferred tax liabilities (Net)	1871.70	1867.43	1677.22	1878.77	1880.00	1688.47
	(d) Other non-current liabilities	14.65	-	-	17.79	4.15	3.36
	Non-Current Liabilities	2044.92	2020.58	1823.68	2114.59	2093.00	1894.58
2	CURRENT LIABILITIES						
	(a) Financial Liabilities						
	(i) Borrowings	0.01	3.60	0.02	19.11	43.95	184.95
	(ii) Trade payables	2551.22	2228.01	1872.97	2659.33	2339.29	1976.94
	(iii) Other financial liabilities	784.78	594.71	646.79	903.25	722.50	783.43
	(b) Other current liabilities	3351.15	3441.96	3056.99	3327.46	3396.52	3014.80
	(c) Provisions	41.83	57.60	74.98	61.16	71.40	89.73
	(d) Current Tax Liabilities (Net)	101.08	28.39	1.55	150.70	84.80	42.68
	Current Liabilities	6830.07	6354.27	5653.30	7121.01	6658.46	6092.53
	TOTAL EQUITY AND LIABILITIES	54215.95	50031.28	44764.81	55943.27	51691.88	46546.97

* Investments in Consolidated Financial Statement include investment accounted for using the equity method - ₹ 285.91 Crores (2016 - ₹ 277.98 Crores; 2015 - ₹ 290.45 Crores)

ITC LIMITED

**Standalone (For the Quarter and Twelve Months ended 31st March, 2017) and Consolidated (For the Twelve Months ended 31st March, 2017)
Segment-wise Revenue, Results, Assets and Liabilities**

Particulars	STANDALONE					CONSOLIDATED	
	3 Months ended 31.03.2017 [#]	Corresponding 3 Months ended 31.03.2016 [#]	Preceding 3 Months ended 31.12.2016	Twelve Months ended 31.03.2017	Twelve Months ended 31.03.2016	Twelve Months ended 31.03.2017	Twelve Months ended 31.03.2016
	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
1. Segment Revenue							
a) FMCG - Cigarettes	8954.94	8545.46	8287.97	34001.98	32348.29	35877.66	34062.67
- Others	2885.76	2710.78	2569.26	10511.83	9731.17	10537.46	9750.64
Total FMCG	11840.70	11256.24	10857.23	44513.81	42079.46	46415.12	43813.31
b) Hotels	386.52	362.99	370.51	1341.73	1286.17	1414.39	1357.43
c) Agri Business	1918.49	1806.79	1671.92	8264.55	7456.88	8384.86	7562.74
d) Paperboards, Paper & Packaging	1372.73	1315.03	1335.82	5362.86	5327.70	5362.86	5327.70
e) Others	-	-	-	-	-	1513.88	1541.15
Total	15518.44	14741.05	14235.48	59482.95	56150.21	63090.91	59602.33
Less : Inter-segment revenue	635.69	708.62	764.59	4481.26	4567.76	4802.96	4929.16
Gross Revenue from sale of products and services	14882.75	14032.43	13470.89	55001.69	51582.45	58287.95	54673.17
2. Segment Results							
a) FMCG - Cigarettes	3258.76	3018.56	3033.69	12513.91	11752.43	13203.70	12348.08
- Others	55.56	78.60	(19.66)	28.12	101.76	26.15	88.71
Total FMCG	3314.32	3097.16	3014.03	12542.03	11854.19	13229.85	12436.79
b) Hotels	66.93	42.65	42.15	110.95	55.69	117.12	61.61
c) Agri Business	134.92	170.32	236.61	905.80	933.03	926.32	950.88
d) Paperboards, Paper & Packaging	240.17	202.95	246.03	965.84	907.62	965.84	907.62
e) Others	-	-	-	-	-	102.71	127.11
Total	3756.34	3513.08	3538.82	14524.62	13750.53	15341.84	14484.01
Less : i) Finance Costs	(11.46)	12.27	13.59	22.95	49.13	24.30	53.60
ii) Other un-allocable (income) net of un-allocable expenditure [Note (i)]	(279.34)	(216.72)	(428.97)	(1001.29)	(732.67)	(702.81)	(420.24)
Profit Before Tax	4047.14	3717.53	3954.20	15502.96	14434.07	16020.35	14850.65
3. Segment Assets							
a) FMCG - Cigarettes	7994.51	7946.13	7792.74	7994.51	7946.13	8573.92	8531.08
- Others	7113.91	6090.74	6596.10	7113.91	6090.74	7257.61	6238.11
Total FMCG	15108.42	14036.87	14388.84	15108.42	14036.87	15831.53	14769.19
b) Hotels [Note (ii)]	5082.80	4820.29	5039.01	5082.80	4820.29	5849.59	5470.24
c) Agri Business	2991.57	2968.39	2750.70	2991.57	2968.39	3255.76	3231.28
d) Paperboards, Paper & Packaging	6322.79	6031.00	6323.56	6322.79	6031.00	6313.82	6020.39
e) Others	-	-	-	-	-	771.74	809.90
Total	29505.58	27856.55	28502.11	29505.58	27856.55	32022.44	30301.00
Unallocated Corporate Assets	24710.37	22174.73	23248.16	24710.37	22174.73	23920.83	21390.88
Total Assets	54215.95	50031.28	51750.27	54215.95	50031.28	55943.27	51691.88
4. Segment Liabilities							
a) FMCG - Cigarettes**	2447.84	2644.39	2999.09	2447.84	2644.39	2561.31	2754.52
- Others	1407.21	1179.77	1414.40	1407.21	1179.77	1411.58	1186.92
Total FMCG	3855.05	3824.16	4413.49	3855.05	3824.16	3972.89	3941.44
b) Hotels	420.62	345.39	452.29	420.62	345.39	446.94	363.99
c) Agri Business	795.88	610.35	1001.44	795.88	610.35	723.60	519.41
d) Paperboards, Paper & Packaging	623.85	510.68	615.62	623.85	510.68	623.85	510.39
e) Others	-	-	-	-	-	209.52	218.79
Total	5695.40	5290.58	6482.84	5695.40	5290.58	5976.80	5554.02
Unallocated Corporate Liabilities	3179.59	3084.27	3302.69	3179.59	3084.27	3258.80	3197.44
Total Liabilities	8874.99	8374.85	9785.53	8874.99	8374.85	9235.60	8751.46

[#] The figures for the 3 months ended 31.03.2017 and corresponding 3 months ended 31.03.2016 are the balancing figures between the audited figures in respect of the full financial year and the year to date figures upto the third quarter of the respective financial years.

** Segment Liabilities of FMCG-Cigarettes is before considering ₹ 629.83 Crores (31.03.2016 - ₹ 651.54 Crores; 31.12.2016 - ₹ 651.37 Crores; 31.03.2015 - ₹ 629.98 Crores) in respect of disputed Taxes, the recovery of which has been stayed or where States' appeals are pending before Courts. These have been included under 'Unallocated Corporate Liabilities'.

Note (i): As stock options are granted under ITC ESOS to align the interests of employees with those of shareholders and also to attract and retain talent for the enterprise as a whole, the option value of ITC ESOS do not form part of the segment performance reviewed by the Corporate Management Committee. Also refer note 5 (i) (c) to the financial results.

Note (ii): Includes ₹ 541.21 Crores (31.03.2016 - ₹ 541.21 Crores; 31.12.2016 - ₹ 541.21 Crores; 31.03.2015 - ₹ 515.44 Crores) towards payment to IFCI Limited and applicable stamp duty for purchase of a five star hotel resort in Goa operating under the name Park Hyatt Goa Resort & Spa and IFCI Limited issued required sale certificate in favour of the Company. The erstwhile owners of the property thereafter challenged the sale. By its judgement dated 23.03.2016, the Bombay High Court set aside the sale and directed IFCI Limited to refund the sale consideration to the Company. The Company and IFCI Limited have approached the Hon'ble Supreme Court against the High Court judgement. The Hon'ble Supreme Court by its order dated 22.04.2016 has directed maintenance of status quo and that the amount paid by ITC shall remain with IFCI Limited until further orders. The matter is pending before the Hon'ble Supreme Court.

Notes :

- (1) The Company's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Company is currently focused on four business groups : FMCG, Hotels, Paperboards, Paper & Packaging and Agri Business. The Company's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.

The Operating Segments have been reported in a manner consistent with the internal reporting provided to the Corporate Management Committee, which is the Chief Operating Decision Maker.

- (2) The business groups comprise the following :

FMCG	:	Cigarettes	-	Cigarettes, Cigars etc.
	:	Others	-	Branded Packaged Foods Businesses (Staples; Snacks and Meals; Dairy and Beverages; Confections); Apparel; Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis.
Hotels			-	Hoteliering.
Paperboards, Paper & Packaging			-	Paperboards, Paper including Specialty Paper & Packaging including Flexibles.
Agri Business			-	Agri commodities such as soya, spices, coffee and leaf tobacco.
Others (In Consolidated Segment)			-	Information Technology services etc.

- (3) Segment results of 'FMCG : Others' are after considering significant business development, brand building and gestation costs of Branded Packaged Foods businesses and Personal Care Products business.

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Kolkata 700 071, India

For and on behalf of the Board

Dated : 26th May, 2017
Place : Kolkata, India

Director & Chief Financial Officer

Chief Executive Officer & Director

Chairman